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Face the Nation

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MS. LESLEY STAHL: The plot thickens. Now there are reports that White House officials involved in the arms to Iran/cash to the Contras scandals may have shredded evidence.

The New York Times said that former National Security Adviser John Poindexter and his key aides destroyed stacks of sensitive documents. The news led to intensified calls for a special prosecutor.

SENATOR JOHN KERRY (D.Mass.): Attorney General Meese and others who are part of the formulation of this policy, part of the overall politics of the White House, cannot be the ones to clear the air.

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ATTORNEY GENERAL EDWIN MEESE: The people who were involved in the situations didn't tell anybody, including the President.

MS. STAHL: But the finger of suspicion pointed higher up the chain of command.

REPRESENTATIVE LES ASPIN (D.Wisc.): The two most likely people are Don Regan and William Casey. That's where the investigation is going.

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MS. STAHL: As the President vacationed in California, his chief of staff denied that he knew.

DONALD REGAN: It's ridiculous, I was not briefed thoroughly on all of this.

MS. STAHL: Various reports have implicated the CIA and challenged the President's version of what took place.

THE PRESIDENT: Everything that we sold them could be put in one cargo plane and there would be plenty of room left over.

MS. STAHL: To complicate things, the President on Friday ordered this B-52 modified to carry cruise missiles into active service, thus violating the limits of the SALT-II Treaty.

REPRESENTATIVE NORMAN DICKS (D.-Wash.): I can tell you that when Congress comes back into session, we are going to take measures and steps to try to bring the United States back into compliance with SALT-II.

MS. STAHL: Will Congress take over the running of foreign policy? We'll ask the new Senate Majority Leader, Robert Byrd, and the current Republican Chairman of the Senate Intelligence Committee, Dave Durenberger. And we'll hear how secret CIA operations work with CIA Director James Schlesinger.

REPORTER: Did you make a mistake in sending arms to Tehran, sir?

THE PRESIDENT: No. And I'm not taking anymore questions.

MS. STAHL: Rubbing salt in the Iran wound, an issue facing the nation.

[REDACTED] With us now, Senator Dave Durenberger, Republican Chairman of the Senate Intelligence Committee, and Senator Robert Byrd, the incoming Democratic Majority Leader.

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Senator Durenberger, your committee starts an investigation into this whole arms scandal -- start your investigation tomorrow. How concerned are you about these reports that Colonel North and John Poindexter were shredding documents over the weekend?

SENATOR DURENBERGER: Well, concerned enough so that we got letters to the President immediately on hearing of that, asking the President to ensure that everyone in his Administration and all of the records in control of his Administration be preserved for future investigations either by our committee or any other.

MS. STAHL: At this point do you know if any evidence was destroyed.

SENATOR DURENBERGER: The only thing we know precisely is the reports that we got from the media. But it concerns us enough so that we have taken what might be considered an unusual measure of even considering having to subpoena the records, if need be, to get them into safekeeping. We haven't yet made that decision, but we may have to if it appears that sufficient numbers have disappeared in some way.

MS. STAHL: Let me ask you about who you are going to call to testify behind closed doors before the Intelligence Committee. A lot of people -- Les Aspin, the Chairman of the House Armed Services Committee says that the finger is now pointing up the chain of command. Will you call Don Regan? Will you call William Casey?

SENATOR DURENBERGER: Well, we'll make that decision the week of December 15th. This is the first time that the Intelligence Committees have done this.

We are going to spend two weeks laying out the facts with people like the former National Security Council advisers, and a variety of other people. Then we'll make the decision to go to the cabinet level or the Director of Central Intelligence, under oath, to determine their accountability.

MS. STAHL: Let me ask Senator Byrd about a report in the Los Angeles Times today that the Attorney General has decided to name a special prosecutor in the case. The Justice Department is saying a final decision on that hasn't been made.

But do you think that the Justice Department, under Attorney General Meese, can conduct an independent and speedy investigation?

SENATOR BYRD: I think that Mr. Meese has moved rather quickly, and he's to be complimented.

But I think the perception and possibly the fact of personal interest and a political conflict of interest is there.

I believe that the President should immediately take action himself to instruct the Attorney General to go into the division of the court and apply for an independent counsel.

The President is in trouble, the presidency itself is being weakened; this thing is not going to go away by itself, and the quicker the President can take action himself and appear to be in control, the better off he will be and we will all be.

MS. STAHL: Senator, I know that you have spoken to the Attorney General. What did you two talk about?

SENATOR BYRD: We talked about getting on with the investigation with alacrity and thoroughness.

MS. STAHL: Were you concerned that it wasn't moving fast enough?

SENATOR BYRD: Well, I simply wanted to urge that every expeditious action be taken.

But I think now this thing has grown so massively and the perception is growing that with the Attorney General having been the person who advised the President as to the legality of the action, his

closeness to the President, and all of these things-- and his being a member of the National Security Council.

It seems to me that it's very, very important for the President himself to take control, be perceived as having taken control. And put this in the hands of an independent counsel, and pledge to the support of the Administration to open the way and to cooperate with that independent counsel.

Because only in that way will we be sure that the investigation was conducted independently by someone who has no personal interest and no political ax to grind.

MS. STAHL: Senator Durenberger, I have read some quotes of yours that suggest you are not totally certain that the Administration has been telling you the truth, and I speak most specifically about the CIA Director, William Casey.

Did he lie to you?

SENATOR DURENBERGER: No, I don't think he's lied to us. But I think Bill Casey is famous for instructing his subordinates and his colleagues to tell us everything that they think we should know.

And I don't think the American public is going to settle for that; we've never been willing to settle for that.

The problem for all of us here is not getting the Congress deeply involved in the conduct of policy. We have only one President, and we need Presidents to provide leadership and policy.

It's when an Administration converts, for example, the Central Intelligence Agency or the NSC into a political action committee, to use a word I think I've heard Jim Schlesinger use in the past. In other words, to do political operations which in some cases are in contravention of policy -- that we become concerned

that neither the President nor we are getting all the facts from Intelligence advisers.

MS. STAHL: But, you know, that you are having these investigations, that you are subpoenaing people, that you are going to put them under oath, does suggest that you don't believe what they've been saying so far.

SENATOR DURENBERGER: Well, it suggests that the only way you are going to prove to anybody that all the facts are out is to put everyone under oath.

MS. STAHL: Do you believe that Don Regan didn't know?

SENATOR DURENBERGER: I believe that everybody knew more than they are letting on, and the question is how much and what they did with the information when they had it.

MS. STAHL: Does that include the President?

SENATOR DURENBERGER: I don't know at this stage.

I've always tended to doubt how much the President knew at least of the detail; and I always give the President the benefit of the doubt.

MS. STAHL: Senator Byrd, when the Democrats do take over in the Senate, what will you propose they do about this, if anything at all?

SENATOR BYRD: Senator Dole and I have discussed the establishment of a special committee, something like the Watergate Committee. That committee cannot be established until the Congress convenes again, because only the Congress can give such a committee the subpoena powers that it would need. And Senator Dole and I are going to continue these discussions.

committee which makes the thrust of this matter so as to save the time of Administration witnesses and other witnesses, so as to save the time of Senators, because we do have other problems, pressing problems we need to give our attention to.

MS. STAHL: Well, you're suggesting that there be televised hearings in which Administration officials, Don Regan, William Casey, come before the public, something that could go on for months and months and months. Is that what you are --

SENATOR BYRD: I'm not suggesting that there be televised hearings. The committee itself would have to make that determination.

What I am suggesting, that although Senator Durenberger is taking steps now, and rightly so, to lay the groundwork and get all the information that he can to expedite this matter, which is in the interest of all of us.

I think there is a need for a committee which will handle this so that we don't have committees and subcommittees tripping over one another, taking the time of the Administration, creating repetition and duplication in the testimony of the witnesses.

MS. STAHL: Senator Durenberger, were laws broken?

SENATOR DURENBERGER: In moving the sting operation, moving money from the Ayatollah to the Contras, I'm sure in there you are going to find violations of the law.

But the more serious issues are getting around-- trying to get the President to get around issuing findings, to get the President to get around involving the Congress. Those are of more concern to the American public.

MS. STAHL: Will someone go to jail?

SENATOR DURENBERGER: I have no idea whether anybody will go to jail. That isn't our business in the Intelligence Committee, to put people in jail.

MS. STAHL: Let me ask you something that seems to be cropping up more and more, and that's the question of

Vice President Bush and how much he may have known. He was the head of the terrorism task force, he was involved with the Contras.

Are you considering calling him?

SENATOR DURENBERGER: George Bush -- we are not considering calling him in the Intelligence Committee.

But George Bush has a deep concern for Nicaragua in the future, and George also should have some concern about the appropriate involvement of the Congress. And I think he may have swallowed that concern when it would have served his President.

MS. STAHL: If your worst concerns end up being true, that the CIA was involved, that the NSC broke the law, and all of these things that you are worried about turn out to be true, Senator Byrd, what can Congress do? What do you think Congress will end up -- what kind of restrictions, limitations? How will it end?

SENATOR BYRD: I don't think that we should speculate on that at this point.

I think the important thing at this point is to get an independent counsel going immediately. And that the President order that this be done. And let that independent counsel have the complete support of the Administration in following the thread wherever it may lead.

MS. STAHL: Okay.

Let me ask Senator Durenberger one fast last question.

The President has now ordered that the United States violate the SALT Treaty. What do you think Congress is going to do about that, and why did he do that now, of all times?

SENATOR DURENBERGER: Well, the Congress has tried already to put this all in perspective, and it's not working well.

I think the President is operating here much as he has operated in some of these other areas: too much politics and not enough of a course to get us to a new and verifiable arms agreement.

MS. STAHL: Senator, Byrd, on SALT?

SENATOR BYRD: On SALT, I'm sorry that we are breaking through the ceiling.

I would urge that the President still take action, compensatory action, to keep this country within the ceiling.

MS. STAHL: Only urging?

SENATOR BYRD: I urge that. And, of course, Congress could take specific action to drydock and dismantle an aging Poseidon submarine. I would not support blanket action, which could be construed as approving a treaty by a majority vote when under the Constitution such has to be done by two-thirds vote.

MS. STAHL: Thank you very much, Senator Byrd, Senator Durenberger.

We will be back with more in a moment.

(Announcements)

MS. STAHL: Joining us now, James Schlesinger, former CIA Director and former Secretary of Defense.

Doctor Schlesinger, is there any question in your mind that the CIA knew about this operation, and specifically, the Director, William Casey, knew about the operation?

DR. JAMES SCHLESINGER: I think it is highly probable that parts of the CIA knew about it. Whether the Director himself was informed remains to be seen, as a result of these investigations.

MS. STAHL: Well, now, you were the Director of the CIA. How do these things take place without the Director knowing, particularly when it involves skirting the law in this fashion?

DR. SCHLESINGER: Well, I think that this could have been approved at the Deputy Director level.

But one must understand that the principal activities were carried on by the NSC. The CIA's role is probably tangential, but it certainly was an informed role.

There was the Swiss bank account that was established. There was a finding that was issued by the President in January that probably came out of the CIA, which established the CIA as the executive agent for the receipt of this money; and then the money came over. I would think that somebody within the Agency would examine and see whether or not that money had been divided, whether it was full market value.

MS. STAHL: You know, there have been books written about the CIA that talk about how they set up operations and build in deniability all along the way. You are always hearing about former CIA agents running this and that.

And the question is, are there such things as former CIA agents?

Can you tell us, are you able to tell us, how these operations are set up with the deniability built in so that when they are found out, everybody can say I never knew anything?

DR. SCHLESINGER: Well, I think that there are many former CIA agents. Most of the people who have retired from the CIA are not working for the CIA and they are not working in any particular ventures.

MS. STAHL: Are you sure?

DR. SCHLESINGER: One can never be positive in the case

of any particular individual. But the bulk of the people have retired.

MS. STAHL: But what about i w you are always hearing that former CIA agents did this or were involved in that -- set up the bank account -- my real question isn't about that. My real question is how do they set up these things?

DR. SCHLESINGER: Well, I think that there is a special circumstance that is a result of the Boland amendment.

And it's plain that in Central America that we have a number of CIA type organizations that are being run by former employees of the Central Intelligence Agency. There is not only deniability but technical separation from the Agency.

One would be surprised if everyone in the Agency was not knowledgeable about the developments in Central America.

But that is a reflection of the Boland amendment.

MS. STAHL: What about anything particularly different about this Administration that would have led to this. And I would like to argue that maybe there isn't. There have been secret operations under almost all our recent Presidents, and in fact, operations run out of the NSC. Is this a great departure?

DR. SCHLESINGER: Well, I don't think it's almost all Presidents. I don't think of Jimmy Carter as getting involved in these kinds of activities, for better or worse.

It's clear that this Administration has the view of Rambo as something more than an implausible adventure. It is a profound political document. And, as a result, one has these kinds of activities being carried on because the Administration refused to be thwarted by Congress, particularly in Central America.

MS. STAHL: When you were CIA director, you launched an in-house investigation that became known as "the family jewels." And after that the CIA went through a very wrenching period of house-cleaning, and sort of going through and cleaning up after a period of misdeeds and abuses. Everybody said William Casey had restored morale.

What do you think is going to happen now to the CIA? Will it go through a demoralizing period?

DR. SCHLESINGER: Well, I think that Bill Casey indeed has restored morale at the Agency.

However, one of the aspects of that restoration of morale is a feeling at the Agency that one can stonewall the Congress. And that one can get away with denying the Congress various little bits of information that it was agreed in 1980 that the Congress should have.

And that kind of thing, I think, is going to lead to a severe rebuke for the Agency, even if it doesn't bring us back to the problems of the 1970s.

MS. STAHL: Do you think there should be laws now, and restrictions on the NSC, as there were on the CIA, or a cleaning up process similar to what happened to the CIA?

DR. SCHLESINGER: I think there has to be an informing of the Congress of the activities that are under way.

The NSC has been used as a vehicle to get around the need to inform the Congress, because NSC staff members have been protected by Executive Privilege.

One of the consequences, by the way, of Colonel North's being suddenly detached from the White House staff is that he is now fair game for the Congress, and he will be up there under subpoena, without Executive Privilege. And since he was the central feature of operations in Central America, it means that he will be

asked many questions about the funding and the activities in Central America.

MS. STAHL: Very quickly.

Are you saying that members of the NSC staff should not be protected by Executive Privilege?

DR. SCHLESINGER: I think that the Executive Privilege is based upon the premise that one is not conducting major operations within the White House; and these operations should be kept away from the President of the United States. That is why we've tried to protect the Chief Executive.

MS. STAHL: Doctor Schlesinger, thank you very much.

We will be back in a minute.

(Announcements)

MS. STAHL: Joining us now, CBS news correspondent David Martin, who has been covering this story over at the Pentagon.

David, what are the big unanswered questions that these committees have left to answer for us?

MR. DAVID MARTIN: Well, to me the salient question here is who, among the people that knew about this secret airlift to the Contras that was being flown out of Iliopongo Air Base in Sel Salvador -- who in the intelligence community knew that was going on. And clearly a lot of people did, because there were active duty CIA officers, active duty military officers at that base doing other things with the Salvadoran armed forces, reporting on the existence and the progress of this airlift back to the Pentagon and to CIA headquarters.

Now, who among those people that were reading those reports knew where the money to pay for this multi-million dollar airlift was coming from?

This is an intelligence community which has boasted that when a toilet flushes in Managua, they hear it. All of their assets are focused on Central America and Nicaragua in particular.

And I find it personally very difficult to believe that when you have all your assets focused on this one intelligence problem you are not going to know where millions of dollars to pay for a secret airlift are coming from.

MS. STAHL: If not billions.

We have had a flood of news reports that contradict almost every facet of the story that the President and Attorney General told at the two news conferences.

One, David, is coming out of the London press, that there were 20 planeloads of American military equipment that went into Tehran. Have you heard any such thing?

MR. MARTIN: Well, you have a difficulty separating official US shipments from Israeli shipments that were condoned or winked at by the United States.

And finally black market shipments that were strictly the work of independent arms dealers. Because there is a lot of American military equipment that's out there on the black market, particularly ammunitions; which is the kind of equipment that the Iranian military needs for this trench warfare that they were fighting.

So I'm not sure that when we read these reports of 20 planeloads, billions of dollars worth of arms, whether we are talking about the specific US operation, or what we are talking about.

MS. STAHL: Another aspect of all this is the American hostage, William Buckley, who apparently now we know was killed by the terrorists. He was the CIA station chief in Beirut.

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And there is another report in a London newspaper today that the United States, the Reagan Administration,

applied intense pressure on the Kuwaitis to release their prisoners in the Kuwait jail -- in other words, accede to the terrorists' demands in order to get Buckley out of prison.

Have you heard any such thing in your reporting?

MR. MARTIN: Not specifically on the issue of pressuring the Kuwaitis to release those prisoners. But it's clear that Buckley, who was the one US government employee that was being held hostage, was a motivating factor in this whole effort to get hostages out.

But I do not think that you can say he was the reason we started selling arms to Iran, because the presidential finding was made in January, 1986, and by January of 1986 I think most people in the United States government had given Bill Buckley up for dead.

MS. STAHL: So it all started before -- well -- but we were sanctioning or condoning Israel before then.

MR. MARTIN: Well, and we were also interested in these other hostages.

MS. STAHL: Okay, David. Thank you very much.

We will end our broadcast with a cartoon by Jack Ohman of the Detroit Free Press. His cartoon is about two failed attempts to free American hostages.

I'm Lesley Stahl. Have a good week.